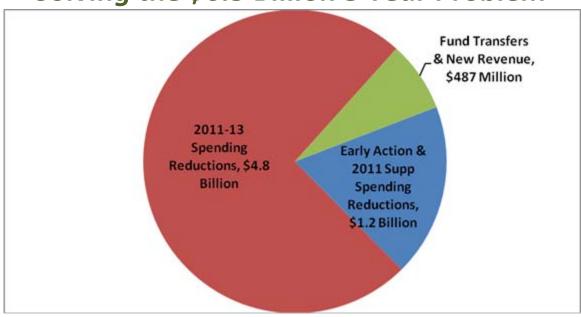


Session update from Olympia

April 18, 2011

# Solving the \$6.5 Billion 3 Year Problem



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# **Senate Proposes Bipartisan Operating Budget**

The Senate proposed a \$32.3 billion operating budget for the 2011/13 biennium last Tuesday that balances spending with revenue in a way that continues investments in critical state programs and services while implementing reforms aimed at making state programs and services more efficient.

The bipartisan proposal, written to match the latest state revenue forecast for the 2011/13 biennium, eliminates \$4.8 billion in public services and leaves \$738 million in reserves to address unanticipated needs.

The Senate plan shrinks the state budget by \$322 million more than the budget proposed by the House, basically because it does not rely on revenue from privatizing liquor distribution in order to balance the budget. While that option has been discussed, it is by no means a sure thing and Senate budget writers wanted a budget with no loose ends.

You can <u>see the full budget here</u>. Click <u>here</u> to watch Senator Brown's interview regarding the budget on TVW's show *The Impact* (interview begins at 4 min 57 secs).

## **Senate Capital Budget Focuses on Jobs**

The Senate's \$3 billion capital-budget proposal, also proposed last Tuesday, puts 43,000 people to work on K-12 construction and other projects across the state. With the economy slowly improving but still devastated by the Great Recession, Senate budget writers prioritized "shovel ready" projects that will put as many people to work as possible, as fast as possible, in communities across the state.

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Among other things the bipartisan proposal fully funds all pending K-12 construction projects in the state and focuses on four core principles: putting people to work; funding projects to encourage economic growth; leveraging federal money through matching programs; and reducing the state's operating-budget costs.

# **Senator Brown Works to Deliver for Spokane in Tough Times**

#### Capital Budget Continued...

The budget climate this year might be one of the most difficult climates we've ever faced in the state. But even still, we managed to make investments that are critical to our economy and community here in Spokane. The Senate's proposals line up very favorably with the proposals that came out of the House in the previous week.

The House and Senate capital budget proposals make identical investments in Patterson Hall at Eastern Washington University, Transitions, the Arc of Spokane, Salvation Army's Center for Nurturing Families & Children, key public works projects and 2<sup>nd</sup> Harvest Food Bank's project to renovate and expand their facility to process bulk perishable food donations.

Notably, the Senate's capital budget invests \$25 million more in the Riverpoint medical school than the House's capital budget.

The Senate's operating budget also makes a number of investments that are not found in the House's operating budget proposal, including nearly \$3 million for the MAC to keep the doors open, \$7.1 million for a technology consortium that includes SIRTI, \$1.5 million for programs serving street youth which funds Crosswalk locally, an additional

For staff contact information click <a href="here">here</a>

# TRY YOUR HAND AT BALANCING THE BUDGET

Budget solutions are like opinions — everyone has one. Well, here's your chance to try out your ideas by clicking on our <u>budget</u> <u>calculator</u>. You not only can choose which public services you'd cut, and by how much, but you can also see just much or how little savings those reductions provide — and how close they get you to balancing the budget.

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\$1.8 million for the medical school beyond the capital budget appropriation for WWAMI expansion in Spokane and Eastern Washington and for curriculum development.

Negotiations are still to come between the House and the Senate for final agreements in both the capital and operating budgets, but I believe both chambers have staked out ground that will have some notable benefits to Spokane in the end, even amongst the backdrop of very significant cuts.

Contact me



Last Friday, Governor Gregoire signed <u>Senate Bill 5172</u>, a bill I prime sponsored, into law. Currently the child care center at the Y that members use while they work out is not available to fitness instructors that teach classes. SB 5172 now authorizes the use of short-term, on-site child care for the children of facility employees.

Pictured left to right at the Governor's bill signing of SB 5172: Rig Riggins-Executive Director, YMCA of the Inland Northwest, Governor Gregoire, and Senator Brown.

### **Senate Passes Debt Reduction Act of 2011**

In a unanimous vote, the Senate passed <u>Senate Joint Resolution 8215</u>, a bipartisan measure that would lower state debt and bring stability to the state's budgeting process.

The Debt Reduction Act of 2011 created by the resolution would reduce the state's constitutional debt limit from its current 9 percent of general state revenues to 7 percent, in half-percent increments starting in 2016. This would reduce debt payments by \$3.3 billion over the next 20 years, freeing those funds for use on other critical state services.

At the same time, the Debt Reduction Act would insulate state budgets from economic booms and busts by shifting the calculation period for determining average general revenue from a three-year rolling average to a 10-year rolling average. This means the state would build less when times are good and construction costs are high, and build more when times are tough, projects cost less and people need jobs. SJR 8215 now heads to the House of Representatives for consideration. Since it would amend Washington's constitution, the measure would need both legislative approval and the approval of the state's voters.

# **Stay in Touch**

As these final days unfold, I will be in constant communication providing updates along the way. If you ever have any questions or concerns, please do not hesitate to contact my office.

Sincerely,



Click <u>here</u> for contact information for my Olympia or Spokane office.